



From the office of **State Controller Kathy Augustine**

PRESS RELEASE

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FISCAL YEAR 2004 FINANCIAL REPORTS RELEASED BY STATE CONTROLLER KATHY AUGUSTINE

Report Reflects Positive Economic Trends for Nevada

Carson City, NV. January 13, 2005. The 2004 Comprehensive Annual Financial Report (CAFR) and *Citizen's Assets*, the Popular Annual Financial Report (PAFR) released today by State Controller Kathy Augustine, again reflect positive economic trends for the State of Nevada. The strength and resiliency of Nevada's economy remains evident for the second year in a row.

Performance indicators including taxable sales, gaming activity, jobs and income have continued to improve. Taxable sales remain the State's largest General Fund revenue source followed by gaming revenues. Fiscal year 2004 results were impressive, as a 12 percent taxable sales gain from the previous year was recorded, double the increase recorded in fiscal year 2003. Total gaming win was also up 6.3 percent in fiscal year 2004.

Nationally, the labor market has struggled to show appreciable improvement with only about a one percent growth rate. However, during the second half of the fiscal year, job growth in Nevada approached 4.5 percent and by the end of the fiscal year, Nevada's unemployment rate was at only 4.4 percent, 1.4 percentage points below the national average. Personal income in Nevada expanded at an 8 percent rate while nationwide growth came in at only 4.6 percent.

In fiscal year 2004, the state's General Fund revenue trends benefited from the strength of Nevada's economy since the General Fund is dependent upon underlying economic fundamentals. An important indicator of fiscal health is "unallocated reserves," which includes the undesignated fund balance in the General Fund, as well as the "Rainy Day" fund balance. At the close of fiscal year 2004, the "Rainy Day" fund balance was \$81.5 million compared to \$1.3 million at the end of fiscal year 2003.

The economic outlook for Nevada continues to appear positive. In the absence of any external surprises, there is no reason to believe the state's pace of economic expansion should decelerate. More information on Nevada's economic and fiscal overview and outlook can be found in both reports available on the State Controller's website at www.controller.nv.gov.

The State Controller's Office prepares the State of Nevada CAFR and PAFR and is responsible for the accuracy, completeness and fairness of the presentation. Both reports are prepared using accounting principles generally accepted in the United States to present financial information.

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